OKLAHOMA Corporation Commission

P.O. BOX 52000 OKLAHOMA CITY OKLAHOMA 73152-2000

OIL & GAS CONSERVATION DIVISION



255 Jim Thorpe Building Telephone: (405)521-2302 FAX: (405)521-3099

Tim Baker, Director

October 19, 2015

Contact: Matt Skinner 405-521-4180 m.skinner@occemail.com

Media Advisory – Cushing Earthquakes

The Oklahoma Corporation Commission's Oil and Gas Conservation Division (OGCD) has added additional oil and gas wastewater disposal wells to its action plan for Cushing. The goal of the plan is to reduce the risk of induced earthquakes in Cushing area by changing the operations of the specified disposal wells. With the latest addition, the plan now calls for operational changes at a total of 13 disposal wells. Operators of 13 other disposal wells are being put on notice that changes may be needed in the future.

Specifically, the latest addition to the plan calls for disposal wells injecting into the Arbuckle formation to change operations based on the distance from the center of the recent earthquake activity:

Wells within 3 miles: Shut in (stop operations) Wells within 3 – 6 miles: Reduce volume injected by 25 percent Wells with 6 – 10 miles: On notice to prepare for possible future changes in operation.

The wells now covered by the plan include**:

Operator: American Energy-Woodford, LLC Wells: Calyx 35-2, shut in Wilson 11-15, shut in Clay, reduce volume Ethridge 35-2, shut in Hill 29-1, reduce volume Williams 5-1, reduce volume

Operator: Crown Energy Wells: Joyce 20, shut in Cimarron A1-13, reduce volume Jedi A1-6, reduce volume Hannah Jo A1-10, reduce volume

(more)

(CUSHING, pg 2)

Operator: Cher Oil Wells: State School Land 1-16, reduce volume

Operator: Petrowarrior Wells: Wildhorse 1, reduce volume

Operator: F.H.A Investments Wells: FHA 1-15, reduce volume

NOTE: In addition to above, a disposal well has been shut in by the operator after being contacted by the OCC regarding the need to reduce the depth of the well. Operator: Meason Petroleum, Well: Donaldson 1-21

**Letter, well list and map attached

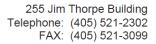
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(All OCC media advisories and releases are available at www.occeweb.com)

OKLAHOMA CORPORATION COMMISSION

P.O. BOX 52000 OKLAHOMA CITY, OKLAHOMA 73152-2000

OIL & GAS CONSERVATION DIVISION



Tim Baker, Director

TO:

FROM: Tim Baker, Director, Oil and Gas Conservation Division

RE: Reduction in Volumes for Wells Located in Area of Interest for Induced Seismicity

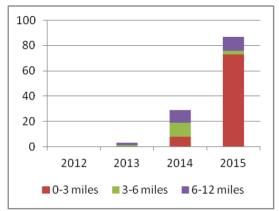
DATE: October 16, 2015

The Commission's Oil and Gas Conservation Division (OGCD) is expanding its efforts to reduce the risk of earthquakes potentially triggered by saltwater disposal wells. The following addresses the reduction of volumes being disposed in the Arbuckle formation within the defined area of interest. Any company that has been identified as operating one or more Arbuckle disposal well(s) located within one of the three zones in the defined area will need to reduce volumes disposed into such well(s) according to the schedule outlined at the end of this letter. The zones are shown on the attached map and are defined from a centrally located point between the two most recent magnitude 4+ earthquakes, as reported by the Oklahoma Geological Survey (OGS), near the town of Cushing, as follows:

- Zero to three miles (0-3 miles)
- Three to six miles (3-6 miles)
- Six to ten miles (6-10 miles).

The area highlighted on the attached map has been designated based upon the dramatic increase in earthquakes within the immediate area. The OGCD has reviewed the earthquake activity of magnitude 2.5 and greater within two miles of the zones of interest, as reported by the Oklahoma Geological Survey (OGS). The earthquake activity from January 1, 2012 through October 16, 2015 below. The attached map shows earthquake activity of the last 30 days.

Earthquake Activity Magnitude 2.5 or Greater								
	0-3 mile	3-6 mile	6-12 mile					
Year	Zone	Zone	Zone	Total				
2012	0	0	0	0				
2013	0	1	2	3				
2014	8	11	10	29				
2015	73	3	11	87				



As part of a joint effort to decrease the risk of induced seismicity, you will need to complete reduction of disposal volumes in accordance with the following schedule and as indicated for the wells below. All disposal well volumes shall be calculated on a daily basis. In addition, gauges and flow meters should be placed on such wells on or before <u>Monday, November 2, 2015</u> so that Commission Field Inspectors can verify pressures and volumes. As has been the practice, pressures and volumes for such wells should continue to be supplied every Monday to the Commission, on a weekly basis, at <u>ogvolumes@occemail.com</u>.

The following schedule applies to all wells within the defined zones in the Area of Interest:

- Zero to three miles (0-3 miles):
 - A shut-in of wells on or before October 23, 2015.
- Three to six miles (3-6 miles):
 - On or before November 2, 2015, daily volumes should be reduced by thirteen percent (13%) of the daily average of the total volume reported reported to the Commission on the weekly volume reports through October 12, 2015.
 - On or before November 16, 2015, daily volumes should be reduced by an additional twelve percent (12%), for a total volume reduction of twenty-five percent (25%) of the daily average of the total volume reported reported to the Commission on the weekly volume reports through October 12, 2015.
- Six to ten miles (6-10 miles):
 - Maintain current levels at this time. This letter shall serve as notification that future seismic activity might result in an expanded area for reductions to include these wells.

If you have any questions contact the OCGD:

Charles Lord or (405) 522-2751 c.lord@occemail.com Jim Marlatt (405) 522-2758 j.marlatt@occemail.com

Thank you in advance for your continued cooperation and attention to this matter.

Sincerely,

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Tim Baker, Director Oil and Gas Conservation Division

SERVICE - ASSISTANCE - COMPLIANCE

	Valuma data fuam Manah (Paul to Ostohov 191	h 2015 wool	In non-oute			
Company	Volume data from March 2 Well Name	Status	Average of Daily Volume	Sum of Daily Volume	Updated Max Allowed Volume	% Reduction	Buffer Zone
Hightower Energy	Caldwell-Lionel Harris 1	Permit	40	8040	40	0%	6 to 10
American Energy Woodford	Calyx 35-2	Shut in	7118	1452076	0	100%	0 to 3
American Energy Woodford	Ethridge 35-2	Shut in	1991	406071	0	100%	0 to 3
American Energy Woodford	Wilson 11-1	Shut in	651	132825	0	100%	0 to 3
American Energy Woodford	Clay 21-1	25% reduction	3198	652446	2399	25%	3 to 6
American Energy Woodford	Hill 29-1	25% reduction	7436	1517024	5577	25%	3 to 6
American Energy Woodford	Williams 5-1	25% reduction	6895	1406580	5171	25%	3 to 6
American Energy Woodford	Penny 29-1	Permit	6650	1356636	6650	0%	6 to 10
American Energy Woodford	Hildebrand 6-1	Permit	85	17418	85	0%	6 to 10
American Energy Woodford	Metcalf 24-1	Permit	3168	646277	3168	0%	6 to 10
American Energy Woodford	Mitchell 4-11	Permit	2488	507653	2488	0%	6 to 10
American Energy Woodford	Wheeler 11-1	Permit	1574	320997	1574	0%	6 to 10
American Energy Woodford	Dean 3-1	Permit	1429	291448	1429	0%	6 to 10
American Energy Woodford	Louis 6-3	Permit	446	90893	446	0%	6 to 10
Crown Energy	Joyce 20 SWD	Shut in	992	202415	0	100%	0 to 3
Crown Energy	Cimarron A1-13 SWD	25% reduction	4730	960165	3547	0%	3 to 6
Crown Energy	Jedi A1-6 SWD	25% reduction	3157	640850	2368	25%	3 to 6
Crown Energy	Hannah Jo A1-10	25% reduction	0	0	0	0%	3 to 6
Crown Energy	Linda	Permit	4352	883446	4352	0%	6 to 10
Meason Petroleum LLC	Donaldson 1-21 SWD	Permit	274	55880	274	0%	6 to 10
D & J Tank Trucks	Sanders 3 SWD	Permit	80	11875	80	0%	6 to 10
Devon Energy	HC Ryan 15-18N-6E	Permit	2	396	2	0%	6 to 10
Cher Oil	State School land 1-16 SWD	25% reduction	246	17206	184	25%	3 to 6
Cher Oil	TUCKER 12-1D	Permit	977	198310	977	0%	6 to 10
Petrowarrior	Wildhorse #1 SWD	25% reduction	1060	216307	795	25%	3 to 6
FHA Investments	FHA SWD 1-15	25% reduction	1002	203430	752	25%	3 to 6
Becca Oil LLC	MILLER #1	Permit	4	896	4	0%	6 to 10
	Totals		60045	12197560	39647	34%	

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Cushing 3,6,10 mile	10/7/2015 ION R3E		T20N R4E	FAST	OK-RIEMAN 1-35	SWD, HOKE 1-1	T20N R6E	
EQ Last 30 Days10/16/15		HARTING 1-	1 SWD	EAU	20N R5E		WOODS SWDW	
past30days_10/16/2015 prefmag		108				- ·		
 -0.200000 - 1.000000 1.000001 - 2.000000 								
2.000001 - 3.000000	LEIGH 8-19N-03E 1	SWD					TT 1-D	
3.000001 - 3.500000								
3.500001 - 3.999999	IN R3E		T19NR4E	51	T19N R5E	Yale		
4.000000 - 4.500000			29-1SWD					
Cushing 3 mile Buffer								
Cushing 6 mile Buffer		SHENOLD 2				4		
ArbuckleWellsAOI_9-16-2015 selection <pre> </pre> <td>JOYCE 1-5 SWD</td> <td>2.3 on 10/14</td> <td>(MITCHELL 4-</td> <td></td> <td></td> <td>LINDA 1 SWI</td> <td></td> <td></td>	JOYCE 1-5 SWD	2.3 on 10/14	(MITCHELL 4-			LINDA 1 SWI		
Current_St				JEDI SV				
\diamond	E 1SWD KING 2		DEAN SWD 3	1 SWD	HANNA	H JO A 10 SWD		
Decreased injection by half	Withoplay 11 1 1	1-1 TUCKER 1	2-10		† ┦┦		HC RYAN	15-18N-6E 1SWD
Injecting <1000 per day	Wheeler 11-1 1	0	FHA SWI	D 1-15	T181 R5E	+	T * 7/	
Never Injected Permit expired	RE 1-18SWD		*		ON 13 SWD			- TIBN RTE
No Action	MUDUN ON	VD 1-27	STATE SCHOOL	LAND 1-16R JC	YCE 20 SWD		M	┣═┼═┾╌┼╶┼╴╢
Not Drilled								
Not an Arbuckle Well	1SWD STOCKTON	N 1-27SWD	HILL 29-1SWD	ETHRIDGE 2	5-3 SWD			
Not in Arbuckle				ALYX SWD 35-2	SWD 2.9 on 10/	9/2015		Drumright=33
Not in Granite	Cushing_10mile_Buffe	r Cushing_6mi	Cushing_3mile	Buffer 18	3 on 10/8/2015			
• Not in granite			IS 6-3 SWD	WILSON 11-1S	WD Cushing			
	-+++-+		Williams 5-1 5-1					
Not volume reporting - preparing documentation			++					
Plugback Procedure Approved	LOWE 1-16 SWD				2100100	717	NRGE	SON 1-21 SWD
Plugback Procedure will be sent			CLAY 21-1	SWD	3.1/on 10/ 2.1/on 9/26/2015			RS 3-SWD
Plugback procedure approved		SWD 1						
	0				+ $+$ $+$			Shamrock
Plugged Back-Terminated				Wil	dhorse #1 SWD			
Plugged Back/Shut In			Agra			2.9 on 9/29/2	015 🔬	
Plugged back			$\left - \right $		+ $+$ $+$			
* Shut in	Tryon							┿ <mark>┫──┼──┼</mark> ──┤
* Shut in 7-28-2015								
*Shut in 7/28/15. Preparing plugback documentation	T16N R3E		T16N R4E		T16N R5E		TIGN REE	
Volume Reporting - preparing documentation								Date: 10/19/2015
Volume Reporting-no action	BUCK 1							
★ Volume reporting			++-		+++		9	Stroug
	W MVN 1-SV	2.5	5		10	1	5	
T15N R2E WEST CARNEY SWDW SWD								Miles NR7E 44